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The governing of international schools: the implications of ownership and profit motive

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There are in excess of 5000 English-medium international schools worldwide. This article reports a study of the governing of such schools that explored in particular the implications of ownership and profit motive. The research entailed a questionnaire-based survey of international school head teachers and interviews with representatives of accrediting organisations, owners and head teachers of international schools. Governors in all settings found maintaining a strategic as opposed to an operational role difficult. The distinction between privately owned for-profit and not-for-profit categories of international schools could be unclear. It could change over time and private owners may gain financially personally in not-for-profit institutional settings. Head teachers in privately owned schools, even those schools operated for financial profit, viewed the governing arrangements positively, perhaps because they often had considerable autonomy over educational matters even though they may be excluded from the governing of financial/resource matters. This arrangement has implications for the governing model. Governing bodies of community-owned schools, which in the sample were all not-for-profit, were typically fully elected or self-perpetuating or a hybrid of the two. Fully elected boards, especially fully elected parent boards, and fully self-perpetuating boards can be problematic and the hybrid model has distinct advantages.

Keywords: school governing; international schools; ownership; profit motive

Introduction

There are over 5000 English-medium international schools worldwide, which are attended by over 4 million students and they continue to grow in number rapidly (ISC Research 2010). The way they are governed has not been analysed extensively to date. This article intends to remedy that in part, by reporting a study of international school governing that explored international school governing generally and in particular the implications of ownership and profit motive. Insights from the study have wider implications for understanding the nature of school governance in other contexts.

Following this introduction, we consider the development of international schools and current understandings of what constitutes an international school. We then explore relevant aspects of governing and school governing. In the subsequent part, we develop a framework with which to analyse the governing arrangements of international schools. We then describe the methodology of the empirical work we undertook and the findings. In the penultimate section, we discuss

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the relationship between the findings and the existing literature, and some of the implications of the findings. The article ends with some concluding comments.

International schools

In this section, we summarise the complexities of the debate on what constitutes an international school, starting with a review of the history of international schools before considering how the use of the term ‘international school’ has developed.

The history of international schools

International schools originated in the mid-nineteenth century. The growth of national education systems at this time was complemented by ‘a popular awareness of international relations and sentiments’ (Sylvester 2002, 4) out of which grew international schools (Scanlon 1960). The first international school, Spring Grove School, was established in the UK in 1866 (Sylvester 2002). It was argued at the time that the School and many other similar schools subsequently: ‘would enable citizens of different countries to become international ambassadors... by the creation of a new type of education’ (Stewart 1972, 118). This ‘new type of education’ would in turn enhance international concord and agreement. By the mid-twentieth century, the number of international schools increased to approximately 1000 worldwide (Matthews 1989).

The international school movement was started in 1949 when the Council of International Schools (CIS) was formed, marking the ‘first known official, intercontinental grouping to bring together schools with a common [international] cause’ (Hill 2002, 22). In 1951, the International Schools Association (ISA) was established. International schools have increased in number considerably since. In June 2010, there were 5628 English-medium international schools worldwide (Table 1) attended by 4,153,618 students (ISC Research 2010).

The early international schools were almost exclusively for the children of expatriates. However, the nature of the students attending international schools has changed as the number of institutions has increased. For example, the 144 international schools in Thailand cater for the children of expatriate families but many of their students come from the local economic elite, ‘who believe that such an education will lead to higher education possibilities in North America or Europe’ (Langford et al. 2002, 48).

Table 1. Number (and percentage of total) of English-medium international schools, by geographic area, in June 2010 (ISC Research 2010).

| Region | Number of schools | Percentage of total |
|----------|-------------------|---------------------|
| Africa | 520 | 9.2 |
| Americas | 710 | 12.6 |
| Asia | 2946 | 52.3 |
| Europe | 1293 | 23.0 |
| Oceania | 159 | 2.8 |
| Total | 5628 | 100 |

What constitutes an international school?

Several authors have attempted to define what constitutes an international school. Leach (1969) distinguished them on the basis of: the nature of the student population – typically multinational; who established the school – one or more overseas groupings of some kind; who owns the school – individuals, the parents of the students or a foreign government; and whether the school belonged to or was entitled to belong to the ISA. This last criterion is of course ‘circular’. The entitlement to join must be defined in some sense by what constitutes an international school. Nonetheless, as we discuss below, self-assigning and the justification for doing so are important. For Terwilliger (1972), international schools have: a significant number of non-host country students; a diverse teaching staff; a curriculum synthesised from the best elements of several national systems; and a governing board that reflects the nature of the student body.

Matthews (1989, 336) identified two types of international school – ‘market driven’ and ‘ideology driven’. The ‘market driven’ group arose ‘from the needs of particular expatriate communities’ and a wish to respond to those needs. Those that were ‘ideology driven’ were ‘founded for the express purpose of furthering international understanding and cooperation’ (336), notions that underpin the purpose of international education (Husen and Postlethwaite 1985). While Matthews’s distinction is useful, the categories are not distinct. An international school may embody both features, which some might argue is appropriate.

The nature of the curriculum is central to Matthews’s (1989) typology. Does it meet the needs of expatriate, possibly highly internationally mobile pupils and/or does it enhance international awareness and cooperation? Those curricula with an explicitly international aspect, such as the International Baccalaureate curriculum, would be expected to be a characteristic feature of international schools. However, many schools that would characterise themselves as ‘international’ provide a US- or UK-based curriculum. This apparent contradiction has led to the development of terms such as ‘international-mindedness’ to characterise international schools (Skelton 2002).

Arguably, the identification of a school as ‘international’ is for those responsible for the school to decide. That decision may be based on Matthews’s categorisation – that the school meets the particular needs of its (international) students, or has an ‘international’ ideology. The ideological justification may require an evidential base to respond to those who may wish to question the school’s decision to identify itself as an international school. Such questioning is undertaken by organisations that accredit international schools, for example the CIS. Self-selection also has a place and is manifested in the membership of international school associations, which is one of the criteria for the identification of an international school used by Leach (1969).

The nature of governing

In a range of settings in countries with developed economies, it is widely accepted that boards have overall responsibility for the governance of their organisations. In the UK for example, the 2010 UK Corporate Governance Code (FRC 2010, 1) makes clear that ‘Boards of directors are responsible for the governance of their companies’.

Exercising that responsibility is problematic in a range of contexts, for example, in the UK voluntary sector (see Cornforth 2003) and in the corporate sector (Forbes and Milliken 1999). In school settings in England, Balarin et al. (2009) argue that the complex and unhelpful specification of the governing task, the extensive nature of the responsibility, and the inherent tensions and contradictions in the role, make school governing particularly challenging.

The governing of an organisation can take many forms and can be distinguished in various ways and governing roles can also be different (Cornforth 2003). James et al. (2010) distinguish three governing models. The first two are the principal-agent and stewardship models which are differentiated by the nature of the board–chief executive relationship. The principal-agent model recognises that the owners of companies, the shareholders or ‘principals’, are separate from the managers of the company, the ‘agents’ and may have very different interests. Managers are considered to have an informational advantage over the owners and to be likely to act in their own interests, which may not accord with those of the principals. ‘Good governance’ under the principal-agent model seeks to reduce the informational imbalance between the manager and the board, and to control the manager. The board thus has a monitoring role and may endeavour through incentives to align the interests of the agents with those of principals (James et al. 2010). In the stewardship model, the interests of the board and the management are aligned. The managers are considered to be: ready to act in the common good; co-operative; and motivated to act towards the organisation’s objectives. The board’s role is thus to empower the management and to collaborate with it. Remuneration arrangements typically reward performance rather than incentivise it. The board typically comprises experts, who are able to work jointly with the management to enhance decision quality (James et al. 2010).

The constitution of the board is significant and gives rise to a third model – the stakeholder model (Cornforth 2003). In organisations that are owned by individuals or groups, the owners are likely to be board members. If ownership is wide through shareholding, board members would represent the owners’ interests. The board may include representatives of a wider group of those who have a stake in the organisation, not just a financial interest. The stakeholder ‘representatives’ may be elected by the stakeholders or nominated by the existing board – the self-perpetuation approach. Boards may be formed by a combination of election or nomination processes. The stakeholder model is central to the constitution of school governing bodies of many national school systems – in Europe (Eurydice 2002), South Africa (Bush and Heystek 2003) and New Zealand (Williams et al. 1997).

The governing of international schools

International schools typically have a high degree of autonomy in relation to national regulation. They are thus similar to private non-maintained schools, for example, ‘independent schools’ in the UK. However, international schools, as with private schools generally, do not operate entirely independently of national systems. Thus, for example, independent schools in England are subject to inspection by Ofsted, the school inspection service. International schools in China must be accredited by the national Chinese accrediting body, the National Center for School Curriculum and Textbook Development. Further, international schools are exposed

to market forces which constrain their autonomy as they are typically reliant on fee income, which is likely to be related to their status and success.

As with schools in many national systems, international schools typically have a governing body. Secure governance arrangements are important not only to ensure the proper conduct of the school but also in the accreditation of international schools, see for example CIS (2012), which in turn is important for the schools themselves. Accreditation is a means of legitimisation especially where the schools are not required to adhere to any national standards. It also confirms that the school is a legitimate site for students to take externally set examinations for qualifications which enable students to progress to other higher institutions. Being accredited thus enables international schools to attract students from expatriate families and, in many settings, local host country families (MSA 2012). Various bodies accredit international schools, for example: the New England Association of Schools and Colleges; the Middle States Association (MSA); the Western Association of Schools and Colleges; AdvancED; and the CIS. All the organisations adhere to a similar format for their accreditation process, which is ‘predicated upon a mixture of internal school self-review and an external element consisting of review by professional peers’ (Fertig 2007, 336).

The literature on the constitution of international school governing bodies is limited. Some 20 years ago, Hill (1994) concluded that international schools usually either were controlled and owned by one or a small number of individuals, or were private schools with a governing board of directors who were mainly parents of students at the school. Parent involvement in governing is a preoccupation in many independent schools generally, not just international schools. For example, in the USA, the National Association of Independent Schools (NAIS) considers that the parent-only model ‘is fatally flawed’ (NAIS 2009, 1) because: its focus is inevitably short term; it privileges parents’ interests; and it tends to be too reactive and crisis driven which can undermine the head teacher and the staff. NAIS endorses a model that has a self-perpetuating board as its foundation, where the board itself is responsible for its own recruitment, and even where there are elections, for example for parent members, the board may vet the candidates.

A framework for the analysis of the governing of international schools

Matthews’s (1989) categories of international schools as ‘market driven’ or ‘ideology driven’ suggest two significant underpinning governance issues. The first relates to proprietary – ownership – matters and who is responding to the market by establishing and maintaining an international school. The ‘ideology driven’ category points to the ideas that reflect the school’s underpinning purpose. While Matthews gives an educational perspective on the underpinning ideology of international schools, clearly that purpose could also be primarily financial for example, to generate profits for the owners.

The ownership basis is likely to influence decision-making, especially of a strategic nature and is therefore directly related to governance. International schools may be owned (as a business) by a single owner or a group of shareholder owners. Such schools would be in a private ownership category. International schools may be owned by a trust or foundation in which case the school would not be owned

privately by an individual or shareholders. These schools would be in a community ownership category.

Arguably, all schools should operate within their financial means to be sustainable as institutions. However, schools can also be operated to generate a financial profit either for the benefit of the owners/shareholders directly or to create resources for the development of the school's work. This distinction is important in our analysis here. We refer to the schools in the former category as for-profit international schools and those in the latter group as not-for-profit.

These two analytical distinctions can be set out as an orthogonal grid as shown in Figure 1. Four groups of schools are created by the distinction: private for-profit; private not-for-profit; community not-for-profit; and community for-profit. We acknowledge that schools in this last category are in practice likely to be rare. Nonetheless, the delineation created by the analytical distinctions is significant. The nature of the governing of an international school is likely to vary according to its position in a particular quadrant of the grid.

Research methodology

The aim of the research was to analyse the experience of international school governing of head teachers of international schools and others with a significant interest in international school governance. This study was guided by three research questions:

- (1) What is the nature of the governance of international schools as experienced by heads of international schools?
- (2) What is the nature of the governance of international schools as experienced by representatives of organisations that accredit international schools, and the owners of international schools?
- (3) What is the potential of accreditation for securing appropriate governance of international schools?

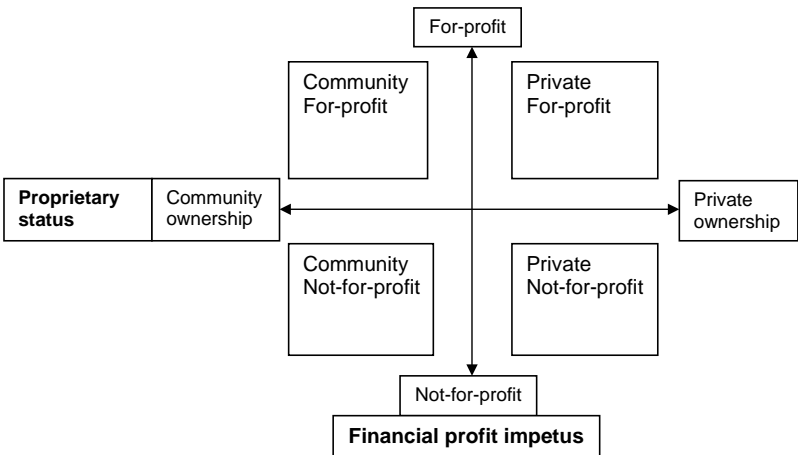


Figure 1. Diagram showing the four categories established by distinguishing the 'private' and 'community' ownership bases and the 'for-profit' and 'not-for-profit' purposes.

The research had two main strands: a questionnaire-based survey of international school head teachers; and interviews with representatives of accrediting organisations, owners and head teachers of international schools. It conformed to British Educational Research Association (BERA 2011) ethical guidelines for educational research.

The survey questionnaire sought extended responses from respondents on: their experience of the governing of their school, the strengths and disadvantages of the governing of their school, and how it could be improved; and the constitution of the school's governing board. Respondents were asked to locate their school in one of the categories in Figure 1 and to indicate the way in which new members joined the board.

The questionnaire was distributed between late October 2009 and April 2010. It was first distributed to the international school head teachers on University of Bath's Educational Doctorate programme ($N = \sim 40$) and at the European Council of International Schools (ECIS) administrators' conference in Malta. It is not known how many of the conference attendees were head teachers. The questionnaire was also distributed to the approximately 400 participants at the annual Association for the Advancement of International Education conference in the USA. Again, it is not known how many of those attending were head teachers. ECIS also sent the questionnaire to its head teacher members ($N = \sim 300$). Completed questionnaires were checked for duplication. A total of 145 responses were received. Response rates are not known because the exact number of head teachers receiving the questionnaire is not known.

Thirteen interviews were conducted with representatives of accrediting organisations, owners and head teachers of international schools (see Appendix 1). The interviews were carried out either in person or via Skype, and they lasted between 30 and 45 minutes.

Using the questionnaire data, the schools were categorised according to the framework depicted in Figure 1. The governing structures described by nine respondents (6%) did not fit readily into subsets of the model and were analysed as 'special' situations. Written comments from the questionnaires and the transcribed interview data from respondents in each category were analysed for consistent themes that related to the research questions (Atkinson and Coffey 1996) in order to develop a full sense of the respondents' experience. The categories and the themes organise the reporting of the data in the following main section.

The findings

In this section, we describe the themes that emerged from the analysis of the whole data-set – the survey and the interviews. Where appropriate, we give percentages of the survey responses to give a sense of the 'strength' of the theme. Individual survey respondents are identified by a number preceded by the letter 'R'. Interviewees are identified by the codes given in the previous section.

International school head teachers' experience of governing in general

The challenge of sustaining the strategic role

Board members across the range of governing categories had difficulty adhering consistently to a strategic approach. Often governors would become involved in the

day-to-day operations of the school, acting as managers rather than governors. In the words of R40:

It has been my experience – small schools in Asia, Africa, and the Middle East – that school ‘governance’ is a myth. Rather, governance means management to most individuals who sit on school boards. Once in a while, with the help of member or two who understand the difference, you may drive a school board to the foothills of governance. But, boards invariably come roaring back down to the featureless and unbounded plain of management.

The distinction between the for-profit and the not-for-profit categories

The lack of clarity and the difficulty of distinguishing between the ‘not-for-profit’ and ‘for-profit’ categories was a theme. Respondents were able to decide – and indeed gave their decision – but frequently commented that the distinction was not clear and indeed the profit motive could vary over time. Where this distinction is unclear, we refer to it when we present the data under the various categories below. In some instances, additional information was sought from respondents and via school websites (where respondents had identified their schools) to clarify the school’s profit motive.

Experience of governing under the different categories

In this section, we present an analysis of the data according to the four categories identified in Figure 1.

The private not-for-profit category

Five of the respondents (4%) were head teachers of schools in the private not-for-profit category.

Constitution of the governing board. The nature of the ownership varied and was reflected in the constitution of the board. Thus, R27 reported that his school’s governing board was an, ‘Owner/board, most members are employees of the chair’, whereas R36 stated that his school was, ‘Owned by six companies. Each company is allowed one representative on the board’. Further, there were also instances, as R18 described, where:

The school is owned by three individuals who comprise a board. Then it is managed by a management company which has its own board.

Board members were typically few in number (approximately six members) and reflected the private ownership of the school. Other stakeholders were not involved.

Interviewee 3D stated that his company was established as a not-for-profit organisation, but acknowledged that this purpose, ‘Is not on paper, but it is something internally that the board and all the owners want’. He went on to comment that:

None of our board members do take profit out of the school because all of us have our own personal businesses; the school is not a business to us.

Interviewee 3D's company owned several international schools and he was the board chair at each school. He was clear: 'I represent the board and I represent the policy'. The head teacher was not a member of the board and did not routinely attend board meetings:

Whenever there is a need for the school head to attend the board, he or she is asked to attend. Otherwise, it's just a direct relationship with me as the chairperson and the head of school. (3D)

The strengths of this model. A dominant theme in the data was the respondents' positive appraisal of the model and their view that it had a rightful place in international schools and their governance. The respondents clearly felt it to be educationally appropriate as R36 commented: 'I really do not know of a better way. The system in place is working very well'. However, it was clear that the respondent was judging the *relative* merits of the model and whether or not it worked. Other respondents felt the advantages of the private not-for-profit arrangement were that it was preferable to other models they had experienced. Thus, R18 felt that, 'Having worked with "democratic" parent-elected boards, I understand the advantages and disadvantages. I am happy with our current arrangement'. Others echoed this view: 'the set-up works, I am glad that there are no parents involved' (R3).

The stability of this form of governing resulting from the significant vested interest was considered to be a strength. R36 felt that:

Since the Board members are the legal owners of the school, they have more vested interest in the financial stability and long-term sustainability.

This sentiment and the significance of the owner's close interest were endorsed by 3D: 'I'm in daily touch with the head because I'm in school on a daily basis, or on a weekly basis'.

This governing arrangement enabled a clear distinction between the responsibility for educational matters, which rested with the head teacher, and the responsibility for financial/resource matters, which lay with the board. Head teachers viewed this distinction as a strength. R36 felt that the board understands:

What they are allowed to do and what the superintendent [the headteacher] does. They never get involved in the day-to-day operations of the school. They have their own companies to run so they leave the education part to me.

When asked about decision-making processes, 3D, a school owner, was clear that educational decisions were made by the head teacher. For example, when asked about how the decision on which accreditation organisation to use was made, he stated that, 'This is the decision taken by the head of school, and it's purely theirs to make such a technical decision'.

Another significant benefit of the private not-for-profit model was that it typically enabled more rapid decision-making, which respondents felt was because

the board was typically a smaller group as it did not have wider stakeholder membership. In the example above where the owner is in daily contact with the head teacher, decision-making could be very rapid, although such decisions may not of course be correct.

The disadvantages of this model. A theme in the data from the head teachers was that this private not-for-profit arrangement was ‘not democratic’ (R18) in that they were not involved in the whole range of matters relating to the school. Further, decisions may be made by a very narrowly constructed group. In the case of the schools owned by interviewee 3D, the entire board comprised members of two families. The exclusion of the head teacher from the board meant that decisions could be made solely on financial grounds by a small group with relatively restricted interests with no regard to the educational implications.

Given the board’s responsibility to protect the owner’s financial interests, there is a possibility that ‘The board can be too slow, can be too careful (i.e., no risk takers)’ (R3). A related theme was that ways of functioning can become established amongst the board membership, which can then impede change. R19 felt that, ‘Certain ruts of ideas can develop and change can be very difficult’.

Another disadvantage arises where the owner takes a dominant position on the board and is the head teacher’s only point of contact with the board. As a result, in head teacher R27’s words, there is:

Only one person (the chair) to go to – if he doesn’t agree with something, there are no other people to lobby or discuss the issue, there is no fall back.

Finally, in relation to the governance of the whole institution, whether it is appropriate for the board to ‘Leave the education part to me’ as one of the head teachers (R3) put it, while the board deals only with finance/resource issues is debatable. The head teacher may have drawn on a range of advisory groups to ensure that his judgement on educational matters was appropriate. However, he may have managed educational matters in the school in a very autocratic manner with very little accountability to the board – or to other stakeholders.

Suggestions for improvement. Only respondent (R18) felt that representation of a wider set of interests on the board would be beneficial and would overcome the disadvantage of the lack of democratic participation in the governing of the school. If implemented, this broader representation of interests may go some way to enabling ‘educational governance’ as well as ‘financial governance’, where the board – the owners – take only the latter role. The guidance by CIS, an accreditation organisation (CIS 2012), suggests establishing an advisory board in these situations which could have a role in educational governance of the school.

Private for-profit category

Sixteen survey respondents (11%) indicated that they worked in a school that was privately owned and operated for financial profit. In this section, we draw on

that data and data from interviews with four owners of for-profit international schools.

Constitution of the governing board. The governing bodies of the schools in this private for-profit category ranged in size from 3 to 12 members. The average size was seven governors and was the smallest of any of the categories. About two-thirds of the head teacher respondents were board members. Half of these head teachers were voting members, which is twice the proportion across the whole sample of 145 respondents and perhaps a surprisingly high proportion. Perhaps unsurprisingly, only 7% of the schools in this category had a 'fully elected' board in contrast with 30% of the whole sample. The majority of boards, 74%, were fully 'self-perpetuating', with 19% operating under a 'hybrid' model with a mixed elected and self-perpetuating membership. The interviewees who were owners of for-profit schools confirmed that all their boards were self-perpetuating or some minor variation of it, reflecting the situation of most of the head teacher survey respondents. As respondent 1D commented: 'There is no governance outside the company itself', a sentiment echoed by the three other owners in this category.

The strengths of this model. Fifty-six per cent of the head teacher respondents working in schools in this category felt that the governing arrangements enabled appropriate governing, which was substantially lower than the proportion of respondents who felt similarly in the whole sample. None of the respondents chose to comment on the strengths of governing in this private for-profit category. A theme in the responses of the owners in this category was that one of their main goals was to improve education within the region they lived in. Thus, interviewee 4D wanted to have, 'The best of the East and the best of the West' combined within his schools.

The disadvantages of this model. Respondents who felt that this model was not supporting appropriate governing voiced concerns which typically related to both the owner's closeness to the school operations and her/his power, and the lack of educational expertise on the board. Thus, a strong theme was that there was too much 'Micro-management' (by the owner) and that the, 'Appointed members serve more in an advisory role rather than a decision-making function' (R5). R1 felt that the board was, 'Unable to fully understand the implications [of their decision-making processes] for running an educational institution'.

The way 'profit' is defined is an important issue in this category. For example, advertisements for new staff at R27's school identified by additional data collection stated that the school was owned and that the school was not run for-profit. Further, the board offered the school's budget statement as supporting evidence indicating that a profit was neither generated nor expected by the owners. However, the budget statement showed that the fees paid to the owners were larger than would be considered reasonable for the services rendered. Thus, the owners were benefiting financially though the school may not be making a profit.

During the interviews, the international school owners all independently stated that the private ownership of schools for profit was acceptable. Referring to parents making the choice to send their children to such schools, 4D felt that: 'It is an option;

they [parents] are not forced. We provide quality education for those who can afford it'. Similarly, respondent 2D said:

The problem I have with the term 'for profit' is that it implies that you're set up for the purpose of making profit, either exclusively or primarily, and we frankly do not see ourselves that way.

He went on to explain that:

We feel that our mission is an educational one, and our primary purpose is to provide a high level of education in this region, most of us are from this region, and we feel that we're contributing something very significant.

Suggestions for improvement. As with the governance arrangements in private not-for-profit schools, arguably, adherence to the guidelines of accreditation organisations, for example those of CIS (2012) in relation to establishing an advisory board would help to support the governance of educational matters in the school. Similarly, a clearer delineation between the board's strategic responsibilities and the school's operational work, together with a better understanding of the nature of governing could lead to less 'micro-management'. Further, there is a strong case for greater transparency in the nature of the 'profits' taken by the owners and the form in which they are taken, as R11 indicated.

Community not-for-profit category

One hundred and twenty-four respondents (86%) located their school in the community not-for-profit category. Within this large cohort, there were three subsets: (1) the fully elected model; (2) the fully self-perpetuating model; and (3) the elected and self-perpetuating hybrid model.

The constitution of the board – fully elected. Thirty-eight respondents (26%) indicated that their board was 'fully elected'. The board size ranged from 5 to 35 members with an average of 11 members. Typically, those elected, 'Must be parents/guardians of students at school cannot be a staff member or spouse' (R22). In a number of instances, the board constitution was constrained by other legal regulations, for example arising from connections with embassies or nationality specifications. Thus, R10 commented, 'We have to be registered as a corporation even though we are non-profit, the only nationality specified is that a Filipino must be the Secretary' (Corporation laws of the Philippines specify this requirement).

The democratic nature of this arrangement was a theme in the data. Thus, R1 felt it was 'a very democratic approach to decision-making' in contrast with his experience of private ownership governing arrangements. R20 further felt the fully elected board created a board membership that was 'more or less representative of the school community'.

The strengths of this model – fully elected. Governing within this subset conforms to the stakeholder models discussed earlier. As Respondent 16 commented:

In theory the board of directors has a direct interest in the well-being of the school since their children attend it, and ensure that all income generated is funnelled back into the school.

NAIS consider this model to be flawed and seriously so (NAIS 2009) on the grounds that it can lead to governing that has a short-term focus, is reactive and crisis driven and privileges parental interests. R16's comment however points to important strengths.

The disadvantages of this model – fully elected. While governing within this subset has some positive attributes, the head teachers felt that it had several disadvantages. The turnover of board members could be high and finding committed members or ones who have the necessary capability could be difficult. These difficulties were due in part to the often transient nature of the expatriate community. As R4 stated:

I think most of us in the business know that parent-elected boards are hardly ideal. Short term thinking, acting as elected representatives instead of 'trustees', high turnover, etc.

R7 echoed this view: 'I worked on two boards, one elected and one self-perpetuating. Self-perpetuating is by far better in my experience'. Also, some schools served communities with a diverse cultural mix, and the election process could result in the disproportionate representation of one community.

Suggestions for improvement – fully elected. The dominant theme in the suggestions for improvement, stated by 74% of the respondents in this group, was the desirability of including a self-perpetuating group on the board whose members could usefully counterbalance the elected group. As R4 put it:

A balance between self-perpetuating seats and elected ones, this would bring stability and more long-term thinking, giving us the best of both worlds.

A second theme was the need for more and continuous board training. This theme featured strongly in this group but was also present in all the subsets of the community not-for-profit training category. A final theme was the importance of ensuring that governors had no 'conflict of interest' between members' roles as board members and as parents.

Constitution of the governing board – fully self-perpetuating. Forty-six survey respondents (32%) reported that their board had a fully self-perpetuating constitution. Board size ranged from as few as three members (R22 and R34) to 36 (R31), with an average of 10 members. Head teachers were members in 61% of the boards but were allowed to vote in only 32% of these cases. A self-perpetuating board may have parents, with examples ranging from the, 'Majority must be parents – split between diplomatic and non-diplomatic communities' in R34's school, to where the board is:

Elected by parents, but de facto self-perpetuating since Nominations Committee presents a slate of those candidates it wants elected; nominations from the floor (at the AGM) are not possible. (R34)

The strengths of this model – self-perpetuating. The dominant theme was the respondents' positive view of the fully self-perpetuating model. Just over 78% of the respondents felt that it was valuable in enabling appropriate governing. R31 for example, commented:

The self-perpetuating structure lends itself to continuity, stability, and institutional memory. This model minimises the political nature of the board and helps the board to function optimally on the high level strategic work that is their primary charge.

R33 was clear that model could not be bettered:

I don't think it can; basically a self-perpetuating board that understands the role of the governing body. Who could ask for more than this?

The sense of continuity the model could give to the school was an additional strength. Thus, R21 stated that 'the board's structure has stood test of time over 60 years, with only seven school heads'. Others endorsed the model with comments such as, 'No problems as yet, after nine years here personally' (R21).

The disadvantages of this model – self-perpetuating. Criticisms of the model were minor and typically pointed to a lack of transparency and the board lacking initiative. However, R4 pointed to a significant potential disadvantage:

Although self-perpetuating is an ideal model, if the wrong members self-perpetuate it can lead to poor governance. In international schools there is a risk of getting a clique of parents on the board, even if self-perpetuating.

Suggestions for improvement – self-perpetuating. Respondents felt that board training and continual efforts to ensure transparency in how the board operates would improve the function of boards operating under this model. Interestingly, only 64% of those who identified this as the governing model for their school felt that it was the best model in their experience, with 28% preferring the 'hybrid' model and 4% favouring fully elected boards.

Constitution of the governing board – hybrid. The boards of 31 respondents (22%) were a hybrid of the fully elected model and the fully self-perpetuating model. Thus, a part of the membership was elected and a part was self-perpetuating. The board size of those in this group ranged from 6 to 18 members with an average of 11 members. The head teacher was a member in 64% of the boards but was allowed to vote in only 20% of these cases.

Typically, governing under this model occurred where individuals or groups had been involved with the school since it was established or where governing involved dealing with various governments who set up the school originally. Thus, R12 described his board's self-perpetuating membership as follows: 'five [members] are appointed by the sustaining members as their representatives'.

The strengths of this model – hybrid. A theme in the data was that this hybrid model gave the 'best of both worlds'. As R12 put it: 'This arrangement allows for

democratic participation but prevents takeovers by agenda-wielding parents'. An overwhelming 96% of the respondents whose school had this model, felt that it enabled appropriate governance. It gave a measure of control over who joins the board. In R38's words: 'There is definitely more control over who becomes a board member and filling gaps in the three W's (wealth, wisdom and work)'.

The disadvantages of this model – hybrid. Respondents whose school was governed under this hybrid model did not state any disadvantages.

Suggestions for improvement – hybrid. Enabling more continuity and ensuring wide representation on the board emerged as a theme in suggestions for improvement. Thus, R8 felt that it would be preferable to:

Change to a self-perpetuating board, with similar guidelines for composition, but allowing for the board to secure longer periods of service and a composition that allows for diversity.

Other respondents also suggested that a fully self-perpetuating board would be preferable along with other improvements. R22 felt that:

A hybrid system should be the one that affords the best opportunity for good governance along with an accreditation requirement for external board training and annual self-evaluation.

Another theme in the suggestions for improvement related to board size. Typically, smaller boards were preferred on the basis that large boards struggle to reach a consensus. Also, larger boards needed more training, especially where the board membership includes a large number of host country nationals.

Special situations. Nine respondents (6%) had governing structures which did not fit readily into one of the three previously described subsets of the model. This group had four further subsets: (1) A combination of board members and school administrators (four respondents); (2) a board comprising administrators only (one respondent); (3) an appointed board (three respondents); and (4) a board reflecting the school's religious affiliation (one respondent). Interestingly, what can be a strength for one of these models is seen as a disadvantage for another. Thus, R5, whose school board has a combination 'board and school administration' structure, felt one of its strengths was that there were 'clear lines of authority; integrated leadership responsibility close to the teaching level'. However, R7 felt that this same format was disadvantageous because there were, 'No real benefits, as little transparency, for example, no teacher rep, no parent rep'.

Community – for-profit model. While it is possible that a school could adopt such a model, no respondents had any experience of it, reflecting the rarity of the model in practice.

Discussion

At the heart of our interest in the governance of international schools is the assumption that the way a school is governed has implications for the work of the

school and the school's legitimacy as an educational institution. Although defining an international school as such is problematic, schools describing themselves in that way and being accorded that status by accrediting organisations are growing in numbers in a range of settings (ISC Research 2010). Their governance and legitimacy as educational institutions are therefore a valid matter of concern. The research we have reported here gives some valuable insights into the way international schools are governed.

The data reveal some interesting complexities in relation to principal-agent and stewardship governing models (James et al. 2010). The separation in the private ownership group – both the for-profit and not-for-profit categories – between the responsibility for financial matters and educational matters was of interest. The 'principals' – the owners – were prepared in many instances to delegate educational matters wholly to the head teachers whilst retaining oversight of only financial/resource matters. The head teachers thus appeared to enjoy considerable autonomy and freedom. However, the head teachers being called to account for educational matters would have perhaps occurred via other mechanisms, for example, student enrolments, examination results, periodic assessment by accrediting organisations and of course their own professional accountability. Presumably, if the educational conduct of the institution was poor, student enrolments would decline, which would have financial implications that would then be of interest to the board. The governing board would be using market-based accountability mechanisms to inform its governing work. The institution would be failing in one potential aspect of its rationale to respond to market needs, typically those of the expatriate community (Matthews 1989). If it failed to perform in an international ideology sense (Matthews 1989), the head teacher would be called to account by accrediting bodies. However, the governing body's lack of involvement in the governance of educational matters on a continual basis and leaving such matters to the market and accrediting bodies is arguably not appropriate and undermines the legitimacy of the school. Interestingly, despite board members'/owners' relative lack of involvement in educational governance, they often intervened in educational matters in an operational sense. In so doing, they perhaps undermined the day-to-day operational management of the school, as can be the case, for example, in the governing of maintained schools in England (Balarin et al. 2009).

The head teacher respondents' positive evaluation of private ownership models, both for-profit and not-for-profit, appeared to relate to the autonomy and freedom they felt they enjoyed. Any concerns they had were not about the notion of ownership or indeed a profit motive but related to the governance structure and processes. This finding and the matters discussed above point to a need to nuance principal-agent and stewardship models (James et al. 2010) in international schools settings. The head teachers were clearly the principals' agent in schools in this private ownership group but they were accorded considerable trust and were given substantial autonomy on educational matters. The survey respondents in this category comprised only 15% of the total sample. However, given that the number of international schools of this kind has grown significantly recently (ISC Research 2010) and is set to grow further, the insights given by the data are valuable.

The study establishes the weaknesses of the wholly elected and wholly self-perpetuating boards. When such elected boards are wholly elected parent boards, a number of problematic issues emerge including a lack of strategic long-term oversight

and high levels of rapid and unexpected turnover of governing board members. These findings support the assertions of others such as NAIS (2009). With wholly self-perpetuating boards different problems emerge, for example, the potential for such boards to become set in their ways, and to lack wide stakeholder involvement. Interestingly, those head teachers experiencing the wholly elected or wholly self-perpetuating models suggested some form of hybridisation between elected and stakeholder models (Cornforth 2003) and indeed the hybrid model was viewed positively by those experiencing governing under such a model.

The notion of profit as some kind of gain, benefit or advantage here is complex. Our concern and analytical concept was 'financial profit' rather than 'educational profit' in some sense, and whether that was the dominant purpose – the rationale – for the school. However, even the notion of financial profit is complex both in accounting terms and in the sense of the purpose of the institution. Clearly, very few schools would be able to operate sustainably without regard to the financial cost incurred. Further, schools in many funded settings would aim to balance their income and expenditure and might even seek to make a small operating profit. What does emerge as important is: the purpose of making a financial profit; what happens to such a financial profit; and how the financial profit is arrived at. With regard to the last point, individuals may benefit financially inappropriately in a school that does not seek to make a financial profit. As the number of international schools increases (ISC Research 2010), many of which are under private ownership, this kind of financial management practice may become more prevalent.

The findings and the way they can be interpreted argue for a stronger and more consistent role for accrediting bodies. Two points are important here. First, there is a good case for arguing that if the accreditation process is to ensure that a school is a legitimate organisation for the education of young people, then it should be centrally concerned with the school's governance arrangements. Ensuring secure governance arrangements does feature in international school accreditation, see for example CIS (2012), but we are arguing that it should feature more prominently. Second, accreditation should require that any change in the governance arrangements, such as a change of ownership, financial purpose or constitution of the governing body, should be a matter of interest for accrediting bodies. At present, accrediting organisations do not have a role in monitoring changes in the governance arrangements of international schools.

Concluding comments

In this article, we have examined the nature of the governing of international schools by analysing the experiences of head teachers and those with substantial experience of international school governance. The study sheds light on this significant aspect of an important and increasingly common kind of school, especially with regard to ownership and profit motive. There are policy and practice implications here for the governance of schools in a range of settings where private ownership and operating schools for financial profit may be increasing. The findings also reveal a number of matters which require further investigation such as: the relationship between international school governing boards and head teachers in order to understand the subtleties of the governance relationship; the ways in which the governance of international schools impacts on their operation; the training of international school

board members; and the way the governing of international schools can change over time. The role of international school accrediting organisations in the governance of the schools they accredit also needs to be explored further.

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Appendix 1.

1. *Interviewee 1C* was the executive director of an accreditation organisation, with over 20 years' experience in international education.
2. *Interviewee 2C* worked in education for over 40 years. Over 20 years' experience in international education, mostly as a head teacher. An accreditation organisation board member. He wrote its governance standards.
3. *Interviewee 3C* was the executive director of an accreditation organisation with over 20 years' experience as an international school head teacher.
4. *Interviewee 4C* was the executive director of an accreditation organisation. Significant experience in national and international education.
5. *Interviewee 5C* was the executive director of an accreditation organisation. Over 20 years' experience in international education, over half of which as a head teacher.
6. *Interviewee 6C* was the executive director of an accreditation organisation. Substantial experience as a head teacher in national systems and international schools.
7. *Interviewee 1D* was the senior representative of an international school owner. Nearly 20 years' previous experience as an international school head teacher.
8. *Interviewees 2D, 3D and 4D* were all owners of a number of international schools.
9. *Interviewee 1E* was the head teacher of a community not-for-profit international school.
10. *Interviewees 2E and 3E* were head teachers of community not-for-profit international schools. Both were accreditation organisation board members with considerable school accreditation experience. As with the survey data, the interview data was analysed for consistent themes.